

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
W. R. GRACE & CO., et al.,<sup>1</sup> )  
Debtors. ) Case No. 01-01139 (JJF)  
 ) (Jointly Administered)  
 )

**SUMMARY OF THE FIRST QUARTERLY INTERIM VERIFIED  
APPLICATION OF REED SMITH LLP FOR COMPENSATION FOR  
SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL ASBESTOS  
PRODUCTS LIABILITY DEFENSE COUNSEL TO W. R. GRACE & CO., ET AL., FOR  
THE INTERIM PERIOD FROM APRIL 2, 2001 THROUGH SEPTEMBER 30, 2001**

Name of Applicant: Reed Smith LLP  
Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and  
Debtors-in-Possession  
Date of Retention: Retention Order entered July 19, 2001,  
effective as of April 2, 2001.  
Period for which compensation and  
reimbursement is sought: April 2, 2001 through September 30, 2001  
Amount of Compensation sought as actual,  
reasonable, and necessary: \$297,876.69

This is a:    monthly  x  quarterly application.

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cumming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 - 7/31/01	\$40,583.00	\$356.92	pending	pending
September 27, 2001	8/1 - 8/31/01	\$90,113.00	\$4,048.11	pending	pending
October 26, 2001	9/1 - 9/30/01	\$155,804.00	\$6,971.66	pending	pending

Reed Smith has filed certificates of no objection with the Court with respect to the Applications for April through July and August 2001 because no objections were filed with the Court within the objection period.

The Reed Smith attorneys who rendered professional services in these cases during the Fee Period are:<sup>2</sup>

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
James J. Restivo, Jr.	Partner	30 Years	Litigation	\$380.00	108.20	\$41,922.00
Lawrence E. Flatley	Partner	26 Years	Litigation	\$340.00	80.40	\$27,336.00
Douglas E. Cameron	Partner	17 Years	Litigation	\$325.00	234.00	\$76,050.00
Andrew J. Trevelise	Partner	22 Years	Litigation	\$325.00	23.80	\$6,110.00
James W. Bentz	Partner	13 Years	Litigation	\$260.00	81.45	\$21,177.00
Stephen J. DelSole	Associate	7 Years	Litigation	\$250.00	57.70	\$14,425.00
Traci Sands Rea	Associate	6 years	Litigation	\$240.00	8.10	\$1,944.00
Jayme L. Butcher	Associate	1 year	New Assoc.	\$180.00	71.90	\$12,942.00
Scott M. Cindrich	Associate	1 year	New Assoc.	\$180.00	84.40	\$15,192.00
Bryan C. Devine	Associate	1 year	New Assoc.	\$180.00	90.70	\$16,326.00
Jeffrey A. McDaniel	Associate	1 year	New Assoc.	\$180.00	17.50	\$3,150.00
Andrew J. Muha	Associate	1 year	New Assoc.	\$180.00	95.40	\$17,172.00
Lisa D. DeMarchi	Associate	1 year	New Assoc.	\$180.00	74.40	\$13,392.00

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

<sup>2</sup> Any capitalized terms not defined herein have the meaning ascribed to them in the First Quarterly Interim Verified Application of Reed Smith LLP for Compensation for Services and Reimbursement of Expenses as Special Asbestos Products Liability Defense Counsel to W. R. Grace & Co., et al., for the Interim Period from April 2, 2001 through September 30, 2001.

Name of Professional Person	Position with the applicant	Number of years in position	Department	Hourly billing rate	Total billed hours	Total compensation
M. Susan Haines	Paralegal	28 Years	Litigation	\$135.00	87.20	\$11,772.00
Maureen C. Atkinson	Paralegal	25 Years	Litigation	\$110.00	50.80	\$5,588.00
Keith D. Warren	Paralegal	8 Years	Litigation	\$130.00	2.90	\$377.00

Total Fees: \$286,500.00

#### Expense Summary

Description	Amount
Standard Copies	\$ 2,449.80
Lexis	14.00
Westlaw	37.33
Postage Expense	.68
Courier Service	179.51
Express Mail Service	41.00
Outside Duplicating	22.98
Document Production	165.00
Documentation Charge	24.00
Secretarial Overtime	195.00
Lodging	475.65
Transportation	84.00
Air Travel Expense	5,399.25
Taxi Expense	162.00
Mileage Expense	178.56
Telephone	87.88
Travel Meals	210.05
General Expenses	<u>1,650.00</u>
 Total	 \$11,376.69